Guidance on Adjusting MeasureUp Values for Inflation

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This guidance note explains how MeasureUp values can be adjusted to reflect current or more appropriate prices, depending on the forecast or evaluation being undertaken.

Where to find inflation adjusted MeasureUp values

The inflation adjusted MeasureUp values, expressed in 2025 prices, are available on the MeasureUp Values page. Values are updated annually using the full previous year of actual inflation data, rather than incorporating forecasted figures for the current year. This approach ensures that adjustments are based on confirmed, published data rather than projections.

Why Price Adjustment is Necessary

Values published on *MeasureUp* are based on robust wellbeing valuation research. However, these values are reported at the prices of 2023 as the platform was launched in October 2024. Since the purchasing power of money changes over time due to inflation, using historical prices without adjustment could lead to under- or over-estimation of the true social value created today.

Adjusting values to current prices ensures:

1. **Accuracy** – estimates reflect the real worth in today's money.
2. **Consistency** – values can be compared across projects and time periods; it also ensures costs and benefits are expressed in the same price base. For example, if your financial costs are in current prices but you are using unadjusted 2023 MeasureUp values for your benefits, your cost-benefit analysis or SROI calculation will be inaccurate.
3. **Credibility** – stakeholders can trust that results are not outdated.

In the Green Book, the value of one WELLBY is set at £13,000 in 2019 prices. However, as prices change over time, the real value of money also changes. The chart below shows how the WELLBY value shifts when updated each year from 2019 to 2025, giving a clear example of why it's important to adjust values to today's prices.

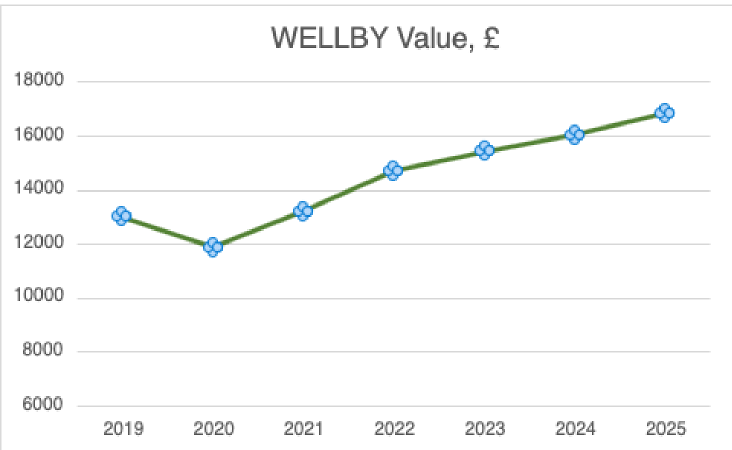

Figure 1 Monetised WELLBY value over time

Methodology

We use the GDP deflator, the Treasury's recommended inflation index because it:

- Captures economy-wide price changes
- Is the best measure for public sector and non-market impacts
- Follows Government guidance for Business Cases

Process to follow:

Step 1: Identify the base year: This is the year of the original *MeasureUp* value.

Step 2: Obtain GDP deflator figures: Use the H.M. Treasury GDP Deflator for the base year and the current year.

Step 3: Apply the adjustment formula for economic, fiscal and environmental values:

$$Real\,Value = Nominal\,Value \times \frac{GDP\ Deflator_{Real\,Year}}{GDP\ Deflator_{No\min al\,Year}}$$

For wellbeing adjustments from WELLBY, the formula considers the changing marginal utility of income:

$$Real\,Value = Nominal\,Value \times \frac{GDP\ Deflator_{Real\,Year}}{GDP\ Deflator_{No\min a\,l\,Year}} \times \left(\frac{GDP\ per\ Capita_{Real\,Year}}{GDP\ per\ Capita_{No\min a\,l\,Year}}\right)^{1.3}$$

The additional GDP per capita adjustment (with power 1.3) accounts for the diminishing marginal utility of income as society's wealth increases.

Example:

Suppose you are using the *MeasureUp* value for PW1 Improved Life Satisfaction, which is reported as **£13,000 per person per year (2019 prices)**.

1. H.M. Treasury GDP deflator at market prices in 2019= 92.787
2. H.M. Treasury GDP deflator at market prices in 2025 = 100
3. Gross domestic product (Average) per head, CVM market prices (reference year = 2023) in 2019 = £40125
4. Gross domestic product (Average) per head, CVM market prices (reference year = 2023)
5. £ in 2025 = £40568
6. Adjustment:

$$£15300\ x\ \left(\frac{100}{78.19}\right)\ x\ \left(\frac{£40568}{£40125}\right)^{1.3} = £16865$$

So, the updated value for 2025 prices is **£16,865 per person per year**.

Practical Notes

- Always use the latest H.M. Treasury GDP Deflator.
- Be transparent: report both the original value (with base year) and the adjusted value.
- If reporting across multiple years, apply the same method consistently.
- For international projects, use the relevant country's inflation index.

MeasureUp Prices and Inflation adjustment Plan:

Most MeasureUp values are shown on the website adjusted to 2023 prices, reflecting the data available at the time of the platform's launch in October 2024. Values are available updated to 2025 prices following the release of official GDP deflators and Government Budget figures on 31 March 2025. The updated values list is published on the Values page in full. MeasureUp values are updated annually using confirmed full-year inflation data, rather than forecasted figures.

If you would like to bring your results up to 2026 prices, you can do this using the formulas above or the Time Toggle Inflation Adjustment App, developed by Mission Economics. The latest version incorporates Office for Budget Responsibility (OBR) forecasts released alongside the Spring Budget 2026, and is updated twice yearly in line with the Spring and Autumn fiscal events.

Sources

- H.M. Treasury Green Book: https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government
- H.M. Treasury (2021) Wellbeing Guidance for Appraisal: https://www.gov.uk/government/publications/green-book-supplementary-guidance-wellbeing)
- H.M. Treasury GDP Deflator: https://www.gov.uk/government/collections/gdp-deflators-at-market-prices-and-money-gdp)
- Office for National Statistics GVA per head: https://www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/ihxw/pn2)